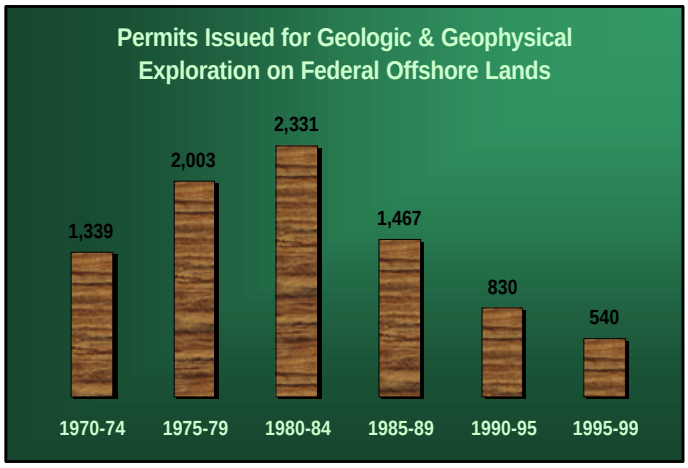
3. Offshore Development Activity

The Gulf of Mexico (GOM) OCS Region has the highest level of permitting and drilling activity. The number of permits issued for collecting geologic and geophysical (G&G) data is shown in table 3-1 of the workbook accompanying this chapter. Tables 3-2, 3-4, and 3-6 of the workbook show the yearly record of OCS drilling activity, zone completions, and producing acreage, respectively. Tables 3-3, 3-5, and 3-7 show OCS drilling activity, zone completions, and producing acreage by regional OCS area, respectively.

The number of G&G permits issued on the OCS in the latter half of the 1980's was less than 75 percent of the total issued in the first half of the decade (see graph below). This downward trend continued in the 1990's, averaging 152 G&G permits yearly through 1998.



Development drilling activity in 1996 increased by about 8 percent totaling 562 wells drilled compared to 520 in 1995 and continued to increase to 601 development wells drilled in 1997; however, 1998 saw an 8 percent decrease with a drop to 556 wells.

At the end of 1998, about 20 percent (1,631) of the total 8,395 leases existing were producing oil and gas—down from the 22 percent producing in 1997 and from the 30 percent producing in 1996. Installations in 1998 exceeded removals by almost 50 percent, with 142 installations and 75 removals. Installations also exceeded removals in 1996 by almost 25 percent. In 1997, however, removals exceeded installations by almost 12 percent.

Whereas the GOM OCS Region remains in a dynamic state, the Pacific OCS Region, which is the only other producing OCS area, has remained constant since 1994 with 23 production facilities still in place (see table 3-8). In the GOM, the number of facilities has fluctuated, with a total of 4,009 in place at the end of 1998. About half of the GOM's production facilities are between 0 and 20 miles (0-32 kilometers) from shore (see table 3-10). Another 25 percent are between 21 to 40 miles (33 to 64 kilometers) from shore. The rest are located beyond 40 miles (or 64 kilometers) from shore. Over 80 percent of these facilities are located in less than 14 feet (50 meters) of water. Twelve production facilities are located in water depths greater than 1,316 feet (401 meters) (see table 3-11).

Tables 3-12 and 3-13 show pipeline mileage in the western and central GOM and offshore California. Collectively, pipelines transport almost 95 percent of OCS oil and 100 percent of OCS natural gas. The growth in pipeline mileage in the GOM has been steady throughout the last decade, reaching a total of almost 26,700 miles (42,960 kilometers) of pipeline. As the end of 1998, the Pacific OCS Region had 194 miles (or 312 kilometers) of pipeline in place.